THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 07/AM13 HELD ON 22.05.2012 AT 11.30 A.M. UNDER THE CHAIRMANSHIP OF Dr. A.K PUJARI, DIRECTOR GENERAL OF FOREIGN TRADE.

PRC Meeting was held under the Chairmanship of DGFT and list of officers present in the meeting is given below:

1. Shri D.K Singh Addl. DG
2. Shri. V.K. Srivastava Addl. DG
3. Shri N.P.S. Monga Addl. DG
4. Dr. L.B. Singhal Jt. DGFT
5. Dr. Rajiv Arora Jt. DGFT
6. Shri A.K. Singh Jt. DGFT
7. Shri.Hardeep Singh Jt. DGFT
8. Shri. S.K. Samal Jt. DGFT
9. Shri Jaikant Singh Jt. DGFT
10. Smt. Subhra Jt. DGFT
11. Smt. Vibha Bhalla Jt. DGFT
12. Shri D.C. Sharma Stats Advisor
13. Smt. Sonika Khattar FTDO

The decision taken on the individual cases are as under:-

Case No.1 M/s. Prime Pharmaceuticals Limited Mumbai
F.No01/60/162/124/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No 0310439205 dt. 14.8.2007

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 12 months from the date of first import for the purpose of regularization and closure. RA should verify the EO claimed to be fulfilled by the firm within the valid EOP. The relaxation is subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond export obligation period. RA is also directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. The Committee also decided that the condition of re-export/destruction of imported raw material as stipulated in Policy Circular 18 dt. 30.10.2007 be waived as the firm has stated to have already utilized the imported material fully by exporting the product manufactured from these. However, the default in terms of duty saving proportionate to the default in export outside the EO period of 12 months from the date of 1st import as stated above may be paid by the firm in accordance with the stipulated policy provisions. RA to check and verify the aspect of raw material utilization and evaluate the duty-saving default and take necessary action as per the policy provisions.

Case No.2 M/s Intas Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/111/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No 0810085685 dt. 12.1.2010

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 18 months from the date of first import for the purpose of regularization and closure. RA should verify the EO claimed to be fulfilled by the firm within the valid EOP. The relaxation is subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond export obligation period. RA is also directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. The Committee also decided that the condition of re-export/destruction of imported raw material as stipulated in Policy Circular 18 dt. 30.10.2007 be waived as the firm has stated to have already utilized the imported material fully by exporting the product manufactured from these. However, the default in terms of duty saving proportionate to the default in export outside the EO period of 18 months from the date of 1st import as stated above may be paid by the firm in accordance with the stipulated policy provisions. RA to check and verify the aspect of raw material utilization and evaluate the duty-saving default and take necessary action as per the policy provisions.

Case No.3 M/s Saraf Impex (P) Limited Kolkata
F.No. 01/60/162/113/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No. 0210117541 dt. 17.9.2008

The committee noted that the firm was issued an advance authorization No. 0210117541 dt. 17.9.2008 with an EOP of 36 months. Through Public Notice no. 60 dt. 6.5.2010 the EOP of silk in any form reduced to 6 months from the date of clearance of first consignment by Custom Authority. The EOP has now been extended to 9 months through Public Notice no. 96 dt. 7.2.2012. The committee observed that in the instant case the firm has already been granted an EOP of 36 months and this is far in excess of the EOP which is now being granted for such product. However taking a liberal view and noting the reasons reported by the firm, the committee decided to grant an extension of 3 months only from the date of endorsement or 15.6.2012 whichever is earlier, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to exports beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. No request of any further extension will be entertained.

Case No.4 M/s Glasstech Industries (I) Pvt Limited
F.No 01/60/162/1124/AM11/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No. 0310355203 dt. 11.11.2005

The committee noted that their is shortfall in export obligation in the above authorization was based on the adhoc norms. The shortfall is both on the basis of original adhoc norms and also the additional export obligation accrued on account of the fixation of the norms by the Norms Committee. The committee keeping in view the facts of the case decided that the firm may be granted 6 months period for the following period:-

i) To deposit the Custom duty with interest on the export obligation default of the shortfall in qty. as per the original EO (reported to be 2469.59 Sq. meter).
ii) The export obligation required to be fulfilled on account of the change in norms by the Norms Committee, may be completed within a period of 3 months from the date of endorsement or 15.6.2012 whichever is earlier, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to exports beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher.

Both I) and ii) be completed in 6 months and RA may take necessary action as per FTP provision thereafter.

Case No.5 M/s Kumari Overseas (P) Ltd Bangalore
F.No. 01/60/162/120/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No. 0710063176 dt. 20.2.2009

The committee noted that the firm was issued an advance authorization No. 0710063176 dt. 20.2.2009 with an EOP of 36 months. Through Public Notice no. 60 dt. 6.5.2010 the EOP of silk in any form reduced to 6 months from the date of clearance of first consignment by Custom Authority. The EOP has now been extended to 9 months through Public Notice no. 96 dt. 7.2.2012. The committee observed that in the instant case the firm has already been granted an EOP of 36 months and this is far in excess of the EOP which is now being granted for such product. However taking a liberal view and noting the reasons reported by the firm, the committee decided to grant an extension of 3 months only from the date of endorsement or 15.6.2012 whichever is earlier, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to exports beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. No request of any further extension will be entertained.

Case No.6 M/s. Kumari Overseas (P) Ltd Bangalore
F.No. 01/60/162/119/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No. 0710063172 dt. 20.2.2009

The committee noted that the firm was issued an advance authorization No. 0710063172 dt. 20.2.2009 with an EOP of 36 months. Through Public Notice no. 60 dt. 6.5.2010 the EOP of silk in any form reduced to 6 months from the date of clearance of first consignment by Custom Authority. The EOP has now been extended to 9 months through Public Notice no. 96 dt. 7.2.2012. The committee observed that in the instant case the firm has already been granted an EOP of 36 months and this is far in excess of the EOP which is now being granted for such product. However taking a liberal view and noting the reasons reported by the firm, the committee decided to grant an extension of 3 months only from the date of endorsement or 15.6.2012 whichever is earlier, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to exports beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. No request of any further extension will be entertained.

Case No.7 M/s. Kumari Overseas (P) Ltd Bangalore
F.No. 01/60/162/117/AM12/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance Licence No. 0710063173 dt. 20.2.2009

The committee noted that the firm was issued an advance authorization No. 0710063173 dt. 20.2.2009 with an EOP of 36 months. Through Public Notice no. 60 dt. 6.5.2010 the EOP of silk in any form reduced to 6 months from the date of clearance of first consignment by Custom Authority. The EOP has now been extended to 9 months through Public Notice no. 96 dt. 7.2.2012. The committee observed that in the instant case the firm has already been granted an EOP of 36 months and this is far in excess of the EOP which is now being granted for such product. However taking a liberal view and noting the reasons reported by the firm, the committee decided to grant an extension of 3 months only from the date of endorsement or 15.6.2012 whichever is earlier, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to exports beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. No request of any further extension will be entertained.

Case No.8 M/s. Kumari Overseas (P) Ltd Bangalore
F.No. 01/60/162/116/AM13/EFGC(PRC)

PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of advance licence No. 0710063175 dt. 20.2.2009

The committee noted that the firm was issued an advance authorization No. 0710063175 dt. 20.2.2009 with an EOP of 36 months. Through Public Notice no. 60 dt. 6.5.2010 the EOP of silk in any form reduced to 6 months from the date of clearance of first consignment by Custom Authority. The EOP has now been extended to 9 months through Public Notice no. 96 dt. 7.2.2012. The committee observed that in the instant case the firm has already been granted an EOP of 36 months and this is far in excess of the EOP which is now being granted for such product. However taking a liberal view and noting the reasons reported by the firm, the committee decided to grant an extension of 3 months only from the date of endorsement or 15.6.2012 whichever is earlier, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to exports beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. No request of any further extension will be entertained.

Case No.9 M/s. Foods Fats & fertilizers Ltd Chennai
F.No. 01/60/162/27/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP Extension of Advance Authorization No. 0410088361 dt. 19.03.2007 & 0410088874 dt. 11.04.2007.

The Committee rejected the request of the firm as the authorizations are quite old. It was decided that the cases may be finalized by RA as per the provisions of the FTP.

Case No.10 M/s. Microfinish Valves Pvt Ltd., Hubli
F.No. 01/60/162/69/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for condonation of non-mentioning the details of the advance licence No. 0710054673 dt. 28.11.2007 in the shipping bills.

The committee noted the request and it was decided to correlate the exports both for I/O relationship and their linkage with advance authorization claimed to be under the advance authorization with the ARE-1/ Central Excise certified invoices with the other related shipping bills of aforesaid advance authorization. RA may after correlating the exports made as per the above parameters take further necessary action for regularization as per the FTP provisions.

Case No.11 M/s. Britacel Exclusive Silicones Mumbai
F.No. 01/60/162/123/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for revalidation of advance licence No. 0310370613 dt. 9.3.2006

The committee noted that the firm was put under DEL on in June 2007 i.e. almost 15 months after the date of issue of authorization. The firm's authorization was also valid at that time for a period of almost 9 months. The firm could have completed their imports within the same period. The committee noted that the firm had sufficient time with them for undertaking imports and the reason cited by the firm can not be considered as a genuine hardship warranting policy relaxation. The committee therefore rejected the request.

Case No.12 M/s.Kotak Urja Pvt Limited Bangalore
F.No. 01/60/162/829/AM12/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP of advance licence No. 0710059579 dt. 4.9.2008 or clubbing with advance licence No. 0710070184 dt. 23.2.2010

The committee rejected the request of EOP extension as they did not make any exports in the authorization no. 0710059579 dt. 4.9.2008. However the committee noted that request made for clubbing of this authorization with another authorization No. 0710070184 dt. 23.2.2010 was covered under Public Notice 79 dt. 13.10.2011 which the RA may consider after working out the necessary details in accordance with the said public notice.

Case No.13 . M/s Nico Extrusions Pvt Ltd. Mumbai
F.No. 01/60/162/110/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for EOP extension of licence No. 0310492661 dt. 3.11.2008.

The Committee noted that the firm have made less than 50% exports during the valid EOP. The evidence attached by the firm is of 2011 whereas the authorization was granted on 3.11.2008. The request and evidence stated by the firm do not justify any genuine hardship warranting policy relaxation. The committee therefore, decided to reject the case.

Case No.14 . M/s Kesoram Industries Limited West Bengal
F.No. 01/60/162/148/AM13/EFGC(PRC)
PRC Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for revalidation of advance licence No. 0210134095 dt.19.11.2009

The committee noted that the details regarding delay in error-free EDI transmission of amendments be evaluated and case be then placed before PRC alongwith other similar cases of the firm.

Case No.15 . M/s Pat International Pvt Ltd., Bangalore
F.No. 01/60/162/153/AM13/EFGC(PRC)

Meeting No. 07/AM13 dated: 22.05.2012
Subject:- Request for revalidation of advance licence No.0710068043 dt. 5/11/2009

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.